Downfall of oil companies

2347. SHRI TARIQ ANWAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the PSU oil companies are losing out to private oil companies;

(b) if so, the reasons for this downfall; and

(c) what remedial measures Government are taking in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The Government have granted the rights for marketing of transportation fuels to new companies in terms of the Government resolution of 08.03.2002. These companies have started commissioning retail outlets and sales at these retail outlets which are largely carved out of the sales of existing outlets of Public Sector Oil Marketing Companies (OMCs).

The provisional percentage market share of OMCs and private sector oil companies in respect of diesel, petrol, LPG, kerosene and all petroleum products during the period April—October, 2005 was as follows:

Product	Public Sector OMCs	Private Sector Oil Companies
Diesel	91.8	8.2
Petrol	96.5	3.5
LPG	96.6	3.4
Kerosene	100	0.0
All Products	83.4	16.6

(b) and (c) The Oil Marketing Companies have initiated the following steps to retain/enhance existing market shares:

(i) Setting up of retail out-lets at strategic locations.

(ii) Penetration of rural market for fuel and non-fuel marketing.

(iii) To enhance quality and assure quantity.

(iv) Retail outlets with multiple allied facilities and services.

Opposition to Introduction of bio-diesel

†2348. SHRI MOTILAL VORA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the production of bio-diesel at present in the country and the target fixed for the year 2006;

†Original notice of the question was received in Hindi.

(b) whether it is a fact that bio-diesel is cheaper and pollution free in comparison with petrol;

(c) if so, the steps being taken by Government to increase the production and consumption of bio-diesel in the country;

(d) whether it is also a fact that some people are opposing it due to their vested interests; and

(e) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The bio-diesel Industry is at a nascent stage of growth and there are no targets for the production of bio-diesel for the year 2006.

Bio-diesel blends reduce pollution compared to diesel fuel. OMCs have offered to purchase the bio-diesel at the delivered price of Rs. 25 per litre at specified locations effective 1.1.2006 for a period of six months considering this to be the viable price for mixing bio-diesel with diesel and selling the mix in the market.

(c) With a view to encouraging production of bio-diesel in the country, the Ministry of Petroleum and Natural Gas announced a Bio-diesel Purchase Policy, in October 2005, effective from 1 1.2006. The policy identifies 20 purchase centres of the public sector oil marketing companies (OMCs) all over the Country where these companies would purchase bio-diesel which meets the standards prescribed by the Bureau of Indian Standards (BIS), from those bio-diesel manufacturers who register with them after satisfying the technical specifications, at a delivered price of Rs 25/- litre. As of now, this price is considered viable up to 30 6 2006 for mixing bio-diesel with diesel and the OMCs will review the same thereafter

A Detailed Project Report (DPR) on the National Mission on Bio-diesel has been submitted by the Ministry of Rural Development to the Planning Commission which, inter-alia, envisages a Demonstration Project involving plantation of Jatropha in 4 lakh hectares of degraded forest and non-forest lands for manufacturing bio-diesel. The Planning Commission has given 'in principle' approval to the DPR on demonstration phase estimated to cost Rs 1286 crores over a period of 5 years.

(d) This has not come to the knowledge of the Government

(e) Does not arise